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O 090043Z MAR 07  
FM AMEMBASSY MANILA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5585  
INFO RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE  
RUCPDOG/USDOC WASHDC IMMEDIATE  
RUEAWJB/USDOJ WASHDC IMMEDIATE  
RUEHZA/ASEAN COLLECTIVE IMMEDIATE  
RUEHFR/AMEMBASSY PARIS IMMEDIATE 0261

UNCLAS MANILA 000764

SIPDIS

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STATE FOR EAP/MTS, EAP/EP, AND EB/IFD  
STATE PASS USTR FOR DKATZ  
STATE PASS USAID, OPIC  
TREASURY FOR OASIA  
USDOC FOR 4430/ITA/MAC  
USDOC PASS USPTO

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TAGS: [KIPR](#) [ETRD](#) [ECON](#) [RP](#)  
SUBJECT: IPR Enforcement Targeting Mall Managers

REF: MANILA 552

Sensitive but unclassified. Please handle accordingly.

Summary  
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¶1. (U) The Philippine National Police raided a major shopping center in downtown Manila, arresting over a dozen stall owners and seizing 13,000 counterfeit items. The police will press charges against both the managers of the mall and stall owners as part of a new IPR enforcement strategy announced by President Arroyo last November.  
End summary.

¶2. (U) On March 5, agents of the Anti-Economic Crimes Task Force of the Philippine National Police (PNP), commanded by Senior Superintendent Noel delos Reyes, raided the Robinson's Place shopping mall in downtown Manila and seizing 13,000 pieces of counterfeit Louis Vuitton merchandise with a value of almost 8 million pesos (USD 165,000). In the course of the raids, more than a dozen stall owners were arrested. The PNP also announced that it would press charges against the management of Robinson's Place, citing a November 2006 executive order from President Gloria Macapagal Arroyo instructing IPR enforcement agencies to assign criminal liability to the operators of shopping malls that lease to IPR-infringing tenants (reftel).

¶3. (SBU) Delos Reyes, an Embassy contact who is one of the most energetic and productive figures in Philippine IPR enforcement, told EconOff that Daniel Plane, the senior anti-counterfeiting manager of Louis Vuitton Pacific, contacted the PNP in late January to file a complaint about trafficking in counterfeit merchandise using his company's trademark. Delos Reyes noted that during the past two years several enforcement actions against stalls selling fake Louis Vuitton merchandise were aborted when the company declined to file complaints despite PNP overtures. On February 8, PNP sent letters to a number of Manila shopping malls asking for their assistance in preventing the sale of fake Louis Vuitton products. When no mall owner responded within 30 days, delos Reyes decided to order raids and obtained 25 search warrants for stalls at Robinson's Place.

¶4. (SBU) Delos Reyes said that laying criminal charges against the operators of malls where fakes are sold will now be standard operating procedure in his division. He told us that he is attempting to reach out to the IPR task force of prosecutors at the Department of Justice to assist them in ensuring that prosecutions follow from these arrests. He plans to file the charges by March

¶16.

¶5. (SBU) The PNP's determination to charge the mall operators in addition to stall owners in IPR cases in this case is encouraging. Delos Reyes spoke, however, of charging the managers of the Leasing Office of Robinson's Place rather than the owners of the Robinson's malls, JG Summit Holdings, owned by the Gokongwei family, one of the wealthiest in the country. While delos Reyes said that this was his only option given Philippine criminal liability law, it would also be the loss of an opportunity to show those at the summit of the Philippine retail sector that they too will be held accountable for IPR violations.

Comment

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¶6. (SBU) This is excellent news for intellectual property rights enforcement in the Philippines. Given the difficulty prosecutors often encounter in prosecuting and convicting IPR violators here, however, it is far from certain that charges against mall owners and operators will stick. Nonetheless, we take note of the PNP's willingness to file charges under the November executive order and will be anxious to see how these cases proceed in court.

Kenney